Army Working Capital Fund (AWCF) Investments
Process and Opportunities

4 March 2015

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Modernization

[Technology Refreshment] is Continuous…

Acquire | **Field** | **Sustain** | **Dispose**

Utility PM

UH-60L-Digital	ITEP	MWO's	UH-60L	UH-60M	UH-60A

Numerous ways for Industry Partners (of any size) to "get into the ga

PEOs /PMs → APA/OMA – New Models, Major Modifications, Spiral Development…

Industry → Performance Based Logistics (PBL), IRAD, Eng Change Proposals (ECPs)

AMC - AMCOM

$60M/yr → AWCF Investments in Component Re-Design

Public Law Regarding AWCF Investments

Authority: 10 U.S. Code § 2208 - Working-capital funds

(c) Working-capital funds shall be charged, when appropriate, with the cost of

(1) supplies that are procured or otherwise acquired, manufactured, repaired, issued, or used, including the cost of the procurement and qualification of technology-enhanced maintenance capabilities that improve either reliability, maintainability, sustainability, or supportability and have, at a minimum, been demonstrated to be functional in an actual system application or operational environment; and

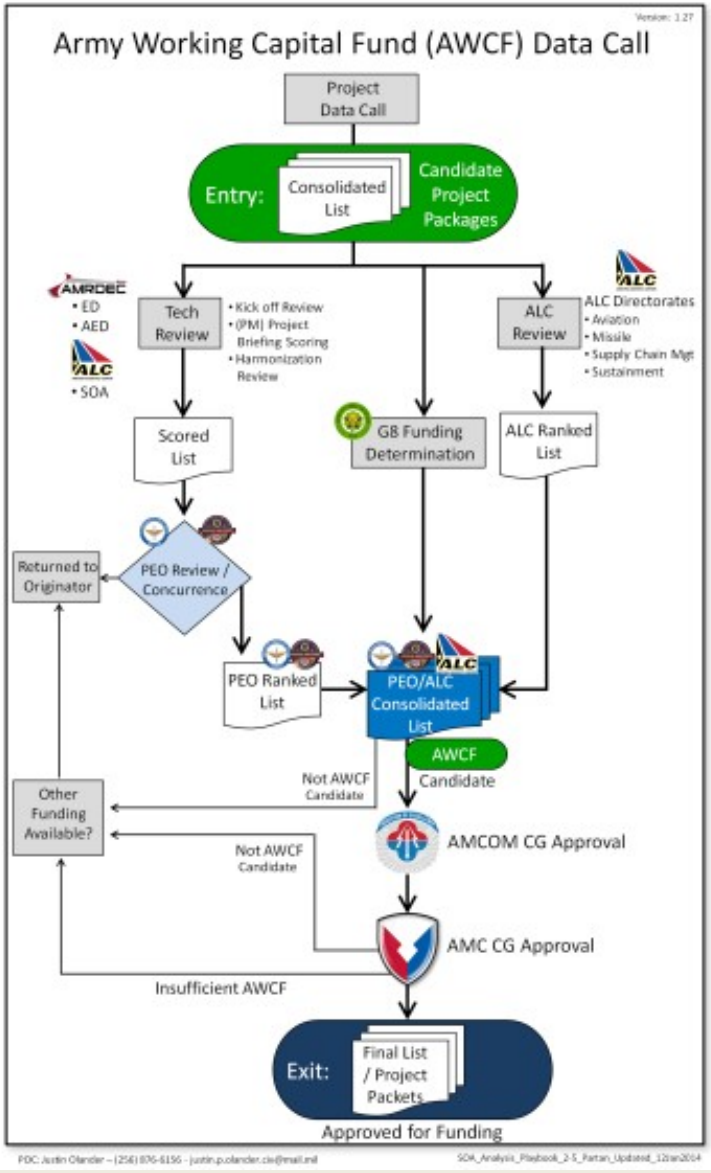
(2) services or work performed;

Importance: Ability to Influence Sustainment Costs and Readiness

- **AMCOM has Leveraged AWCF for:**
  - **Obsolescence Mitigation**
  - **Operating & Support Cost Reduction**
  - **Condition-Based Maintenance**
  - **Continuous Technology Refreshment**
  - **Reliability Improvement Program**
  - **Product Improvement Pilot Program**

Semi-Annual Process to Determine Where to Invest

AWCF Data Call



Purpose:

Solicit and fund project candidates that will provide implementable solutions to mitigate known obsolescence issues, reduce sustainment costs, improve component reliability & usable life, and/or improve readiness. This process strives to vet and prioritize projects based on technical merit and stakeholder priority.

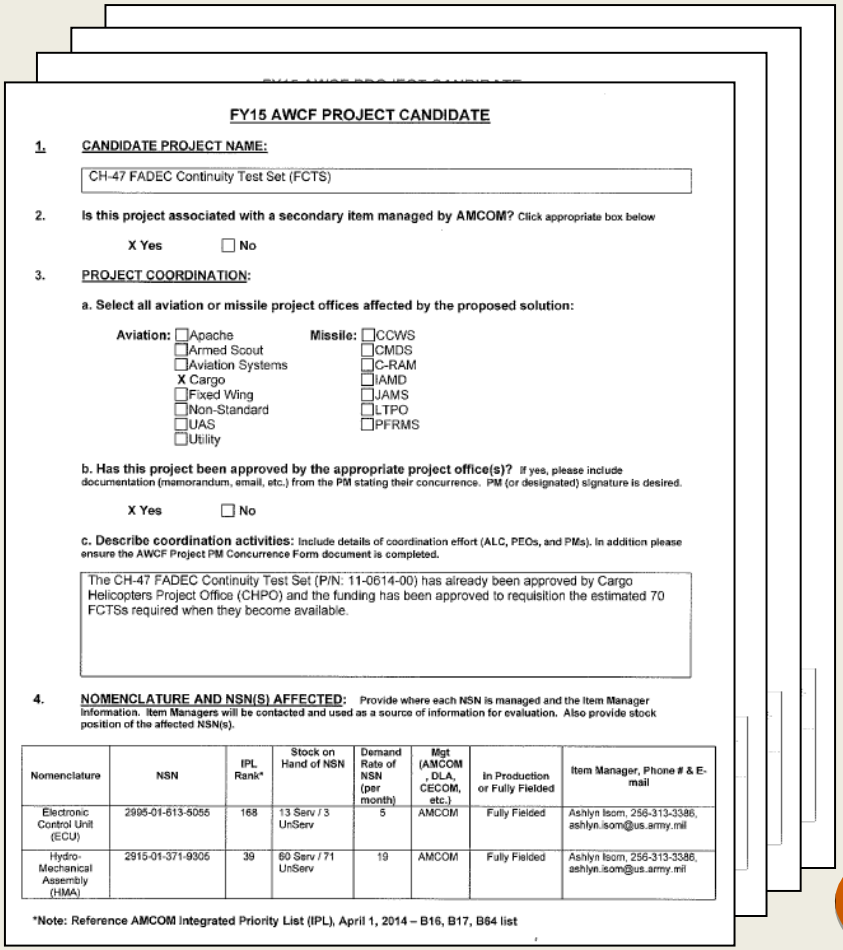
AWCF Data Call Process:

- **Entry: Candidate Project Packages – Consolidated List**
- **PEO Review / Concurrence**
- **PEO/ALC Consolidated List**
- **Exit: Final List / Project Packets Approved for Funding**

AMCOM will Solicit for Solutions to Specific Root Causes Identified in the Sustainment Analysis Process

Industry: Can Submit Project Candidates to AMCOM for Consideration for Any Secondary Item

AWCF Project Proposals



FY15 AWCF PROJECT CANDIDATE

1. **CANDIDATE PROJECT NAME:**

CH-47 FADEC Continuity Test Set (FCTS)

2. **Is this project associated with a secondary item managed by AMCOM?** Click appropriate box below

X Yes ☐ No

3. **PROJECT COORDINATION:**

a. **Select all aviation or missile project offices affected by the proposed solution:**

Aviation:	Missile:
☐ Apache	☐ CCWS
☐ Armed Scout	☐ CMDS
☐ Aviation Systems	☐ C-RAM
X Cargo	☐ IAMD
☐ Fixed Wing	☐ JAMS
☐ Non-Standard	☐ LTPO
☐ UAS	☐ PFRMS
☐ Utility	

b. **Has this project been approved by the appropriate project office(s)?** If yes, please include documentation (memorandum, email, etc.) from the PM stating their concurrence. PM (or designated) signature is desired.

X Yes ☐ No

c. **Describe coordination activities:** Include details of coordination effort (ALC, PEOs, and PMs). In addition please ensure the AWCF Project PM Concurrence Form document is completed.

The CH-47 FADEC Continuity Test Set (P/N: 11-0614-00) has already been approved by Cargo Helicopters Project Office (CHPO) and the funding has been approved to requisition the estimated 70 FCTSs required when they become available.

4. **NOMENCLATURE AND NSN(S) AFFECTED:** Provide where each NSN is managed and the Item Manager information. Item Managers will be contacted and used as a source of information for evaluation. Also provide stock position of the affected NSN(s).

Nomenclature	NSN	IPL Rank*	Stock on Hand of NSN	Demand Rate of NSN (per month)	Mgt (AMCOM, DLA, CECOM, etc.)	In Production or Fully Fielded	Item Manager, Phone # & E-mail
Electronic Control Unit (ECU)	2995-01-613-5055	168	13 Serv / 3 UnServ	5	AMCOM	Fully Fielded	Ashlyn Isom, 256-313-3386, ashlyn.isom@us.army.mil
Hydro-Mechanical Assembly (HMA)	2915-01-371-9305	39	60 Serv / 71 UnServ	19	AMCOM	Fully Fielded	Ashlyn Isom, 256-313-3386, ashlyn.isom@us.army.mil

*Note: Reference AMCOM Integrated Priority List (IPL), April 1, 2014 – B16, B17, B64 list

FY15 AWCF Project Template Details

- 1- Project Candidate Name
- 2- Who Manages Part
- 3- PM Coordination
- 4- NSN, P/N, IM POC
- 5- Funding Summary
- 6- Latest Obligation Date
- 7- Primary and Secondary Issues
- 8- Problem Statement
  - ☐ Root Cause?
- 9- Proposed Solution
  - ☐ Technology Readiness Level?
- 10- Technical Criteria
  - ☐ Obsolescence
  - ☐ Reliability
  - ☐ ROI
  - ☐ Additional Benefits
  - ☐ Technical Risk
  - ☐ Safety

-Overall risk
-Technical Development
-Prototype
-Test and Qual
-Manufacturing
-Project Management
-Implementation

- 11- Implementation Approach
- 12- Investment Analysis
- 13- Schedule
- 14- Govt POCs

-Funding Released
-Contract Award
-Engineering Complete
-Testing Complete
-Technical Documentation
-Introduction into Supply System

1-8 "What?" 9-12 "How?" 13 "When?" 14 "Who?"

Industry: Can Submit Project Candidates to AMCOM for Consideration for Any Secondary Item

Each Project Must be Coordinated with Applicable PM

Project Evaluation Flow Chart

Data Call

- PEO-AVN
- PEO M&S
- AMRDEC
- ALC

Project Candidates…

Technical Evaluation

AWCF Pass/Fail
= AMCOM Secondary Item
= Obligated by 30 Sep

Technical Ranking Criteria
= Obsolescence
= Reliability
= Return on Investment (ROI)
= Risk
= Safety Improvement
= Integrated Product Support (IPS) Elements

Scored List…

PEO Priority

Prioritization Categories
= Systems In The Fight
= Systems Supporting The Fight
= Systems In Production/Sustainment But Not In Theater
= All Others

Criteria for Prioritization within Categories
= Criticality Of System To The Fight
= Criticality Of Obsolescent Item To The System
= Risk To Warfighter Due To Obsolescent Item
= Benefits If Funded (To The Warfighter, Etc.)
= Cost
= Funding Potential/Likelihood

Prioritized List

AMCOM CG Approval

Approved List…

AMC Approval

FAD (Funding Authorization Document)

Twice a year during a 5 month duration

April thru August

October thru February

How We Are Tackling "Spend" Drivers

Numerous ways for Industry Partners (of any size) to "get into the game"

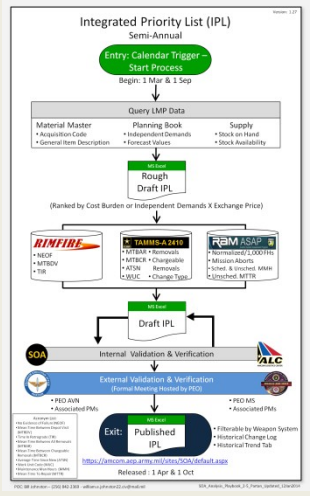
PEOs/PMs Modernization Efforts

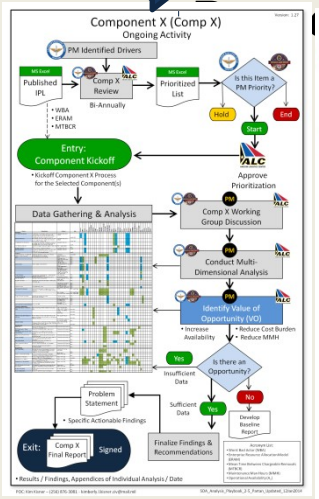
***Industry Proposals must address:**

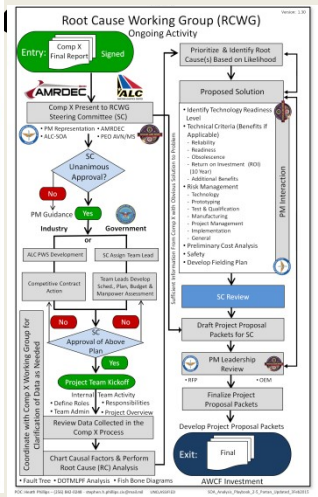
1) **Reduced Demands & Cost**
2) **Mitigate Obsolescence**
3) **Lower Lifecycle Cost Burden**

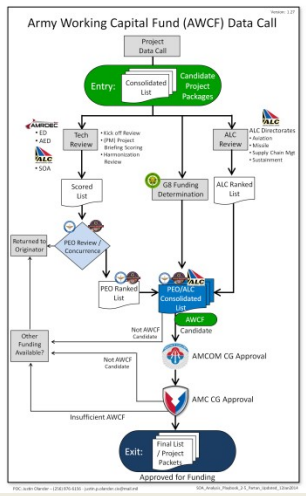
OEM PBLs or Efforts Supporting PMs

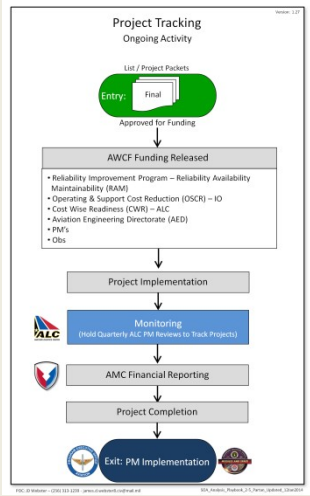
End-To-End Sustainment Analysis

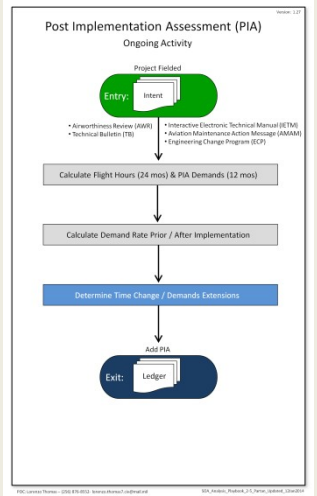




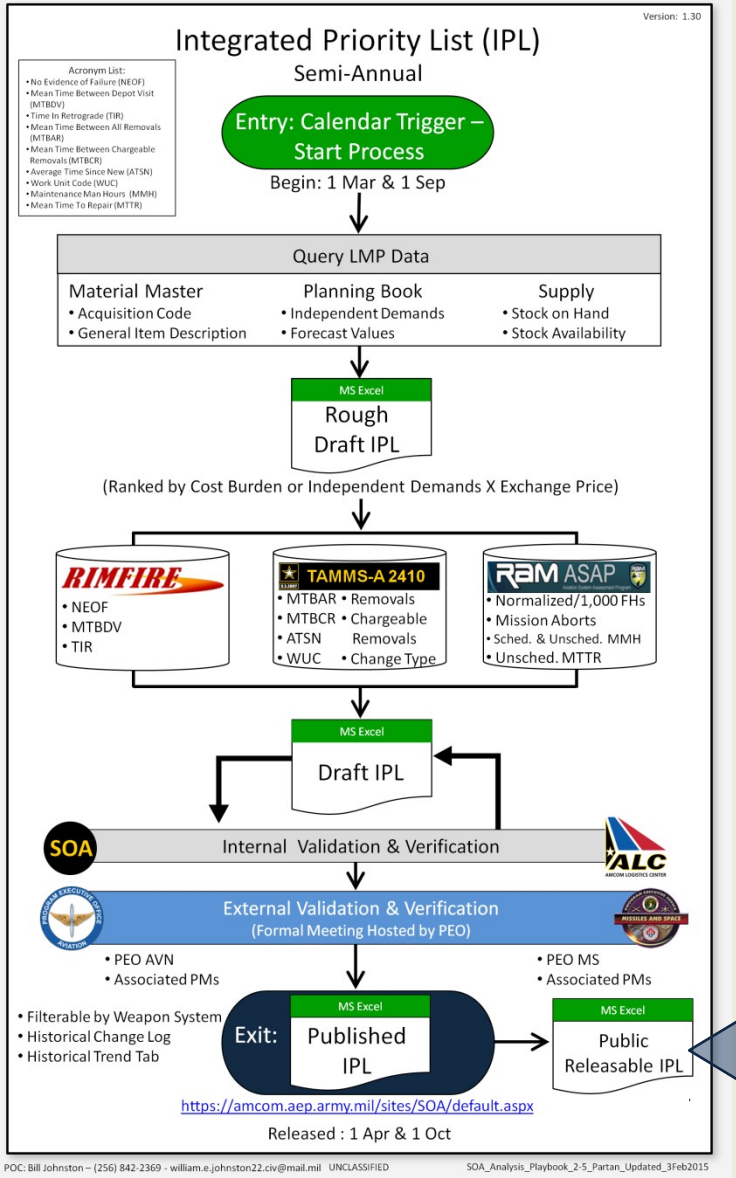







Post Implementation Assessment (PIA)
Ongoing Activity
Project Fielded
Entry: Intent
Calculate Flight Hours (24 mos) & PIA Demands (12 mos)
Calculate Demand Rate Prior / After Implementation
Determine Time Change / Demands Extensions
Add PIA
Exit: Ledger

Integrated Priority List (IPL)



Purpose:

The AMCOM Integrated Priority List (IPL) provides a comprehensive list of metrics for all active AMCOM-managed components to facilitate analysis of historical component performance in the areas of maintenance, supply, demand, operational performance and other related areas.

IPL Process:

- **Entry: Calendar Trigger – Start Semi-Annual**
  Process on 1 Mar & 1 Sep
- **Query LMP Data, integrate other data sources**
  keyed to NIINs
- **Ranked by Cost Burden**
- **Internal & External Validation & Verification**

Information to Industry → **IPL Posted to CASL**

Integrated Priority List (IPL)

- **Serves as a Focusing Mechanism for Spending Limited Resources (funding, personnel, time)**
- **Priority: Rack-and-stack of All AMCOM-Managed Items by Annual Cost Burden (Price x Demands)**
- **Integrated: 'One-Stop Shop' of Info on a Given NIIN Across a Wide Variety of Sustainment Metrics**
  - **LMP/Demand, ASAP/R&M , MCDS/2410, RIMFIRE, & Other Sources as identified**
- **IPL Has Evolved, each Semi-Annual Iteration Has New Features: Visibility on B16-AVN (CECOM-managed) Items, Filter by Platform, Costing Data, and more**

FOUO

AWCF Cost Burden:

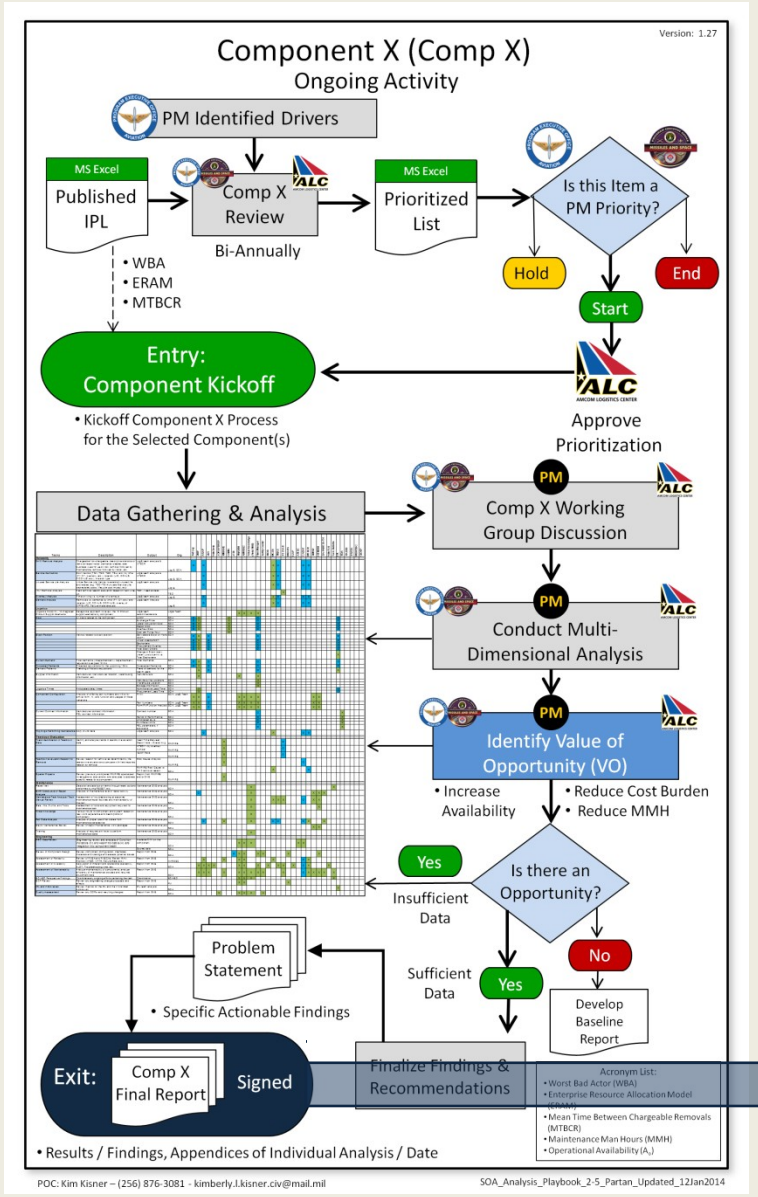
	AVN/B17	MSL/B64
Total AWCF AMCOM Cost Burden	**$1.373B**	**$122.6M**
Top 200 AMCOM Cost Burden	**$1.134B**	**$102.4M**
Percentage	**82.5%**	**83.5%**

Avn /B17 Rank	NIIN	Nomen	Cost Burden	Other Metrics
1	01-503-1701	T701D	$182,936,220	50+ Other Metrics Integrated from Disparate Sources
2	01-106-1903	H-60 MR Blade	$80,230,056	
3	01-284-4013	T701 Cold Section	$40,137,042	
4	01-512-0889	H-64 MR Head	$39,478224	
5	01-458-5361	T-55 Engine	$38,427,804	
…	…	…	…	
10,956 Total B17 Items		363 New ; 1628 Dropped		

Msl /B64 Rank	NIIN	Nomen	Cost Burden	Other Metrics
1	01-588-2460	Cooler, Fluid	$8,103,348	20+ Other Metrics Integrated from across LMP
2	01-490-7030	Electron Tube	$6,329,177	
3	01-411-7098	Cooler, Fluid	$5,544,396	
4	01-450-3535	Inverter, Power	$4,430,100	
5	01-411-3039	Power Supply	$3,544,736	
…	…	…	…	
6,222 Total B64 Items		128 New ; 846 Dropped		

FOUO

Component X



Purpose:

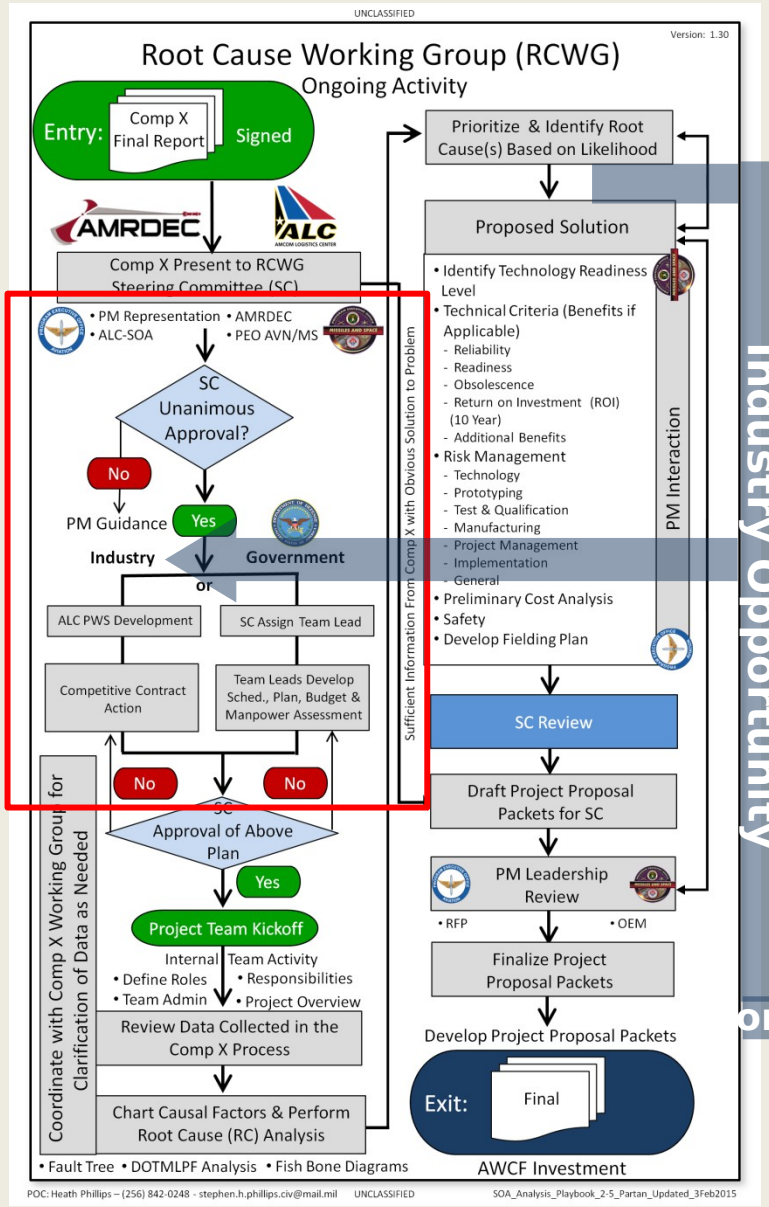
Component X (Comp-X) performs exhaustive exploratory analysis on a component to identify where additional effort could lead to large payoff reductions in the sustainment cost burden by extending usable life, reducing demands, reducing Maintenance Man-Hours (MMH), and/or improving readiness. These components are collectively referred to as Values of Opportunity (V_oO).

Comp X Process:

- **Entry: Published IPL & PM Priority List**
- **Data Gathering & Analysis**
- **Identify the Value of Opportunity (V_oO)**
- **Exit: Generate Problem Statement for the Final Signed Report**

Industry: Any Relevant Findings from the Comp X Process will be Provided as Part of the Solicitation

Root Cause Working Group (RCWG)



Purpose:

For a specific component, the Root Cause Working Group (RCWG) determines associated root cause and recommends possible courses of action (COAs) to address problem statements identified by the Component X (Comp X) process.

RCWG Process:

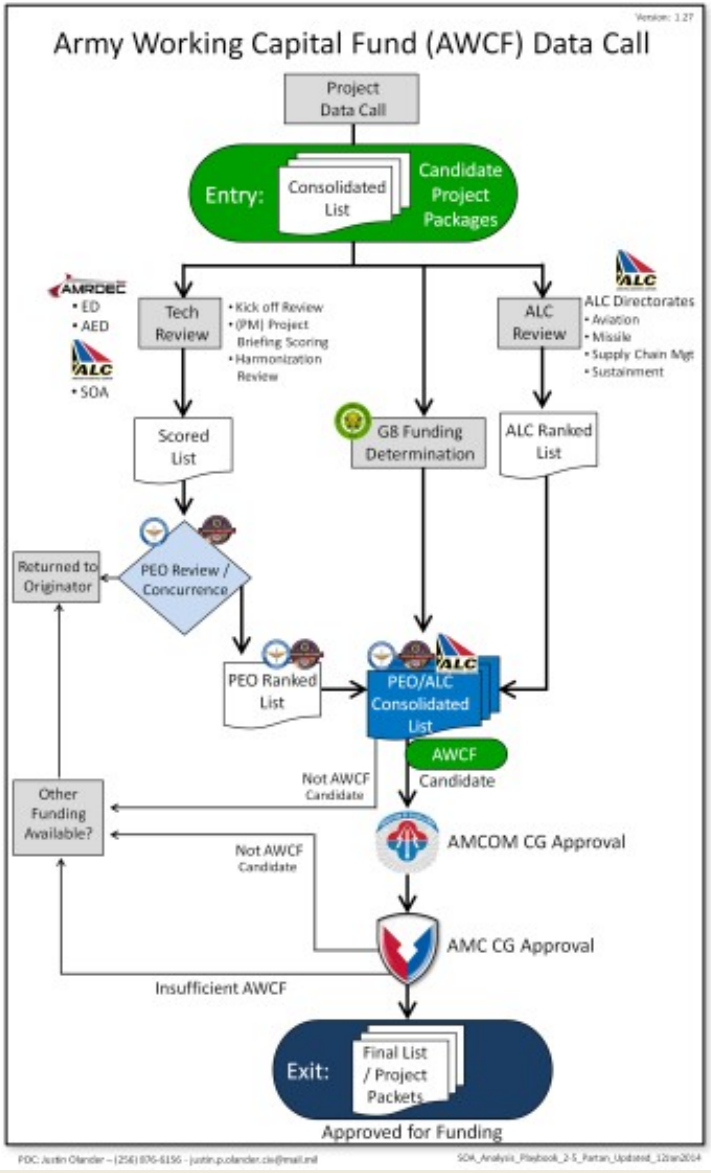
- **Entry: Signed Comp X Final Report**
- **Steering Committee Unanimous Approval Decision goes to Industry or Government**
- **Prioritize & Identify Root Cause(s) Based on Likelihood**
- **Steering Committee Review**
- **Exit: Root Cause Determination & Develop Project Proposal Investment**

Industry Opportunity

Competitive Solicitation

Industry: Any Relevant Findings from the RCWG Process will be Provided as Part of the Solicitation

AWCF Data Call



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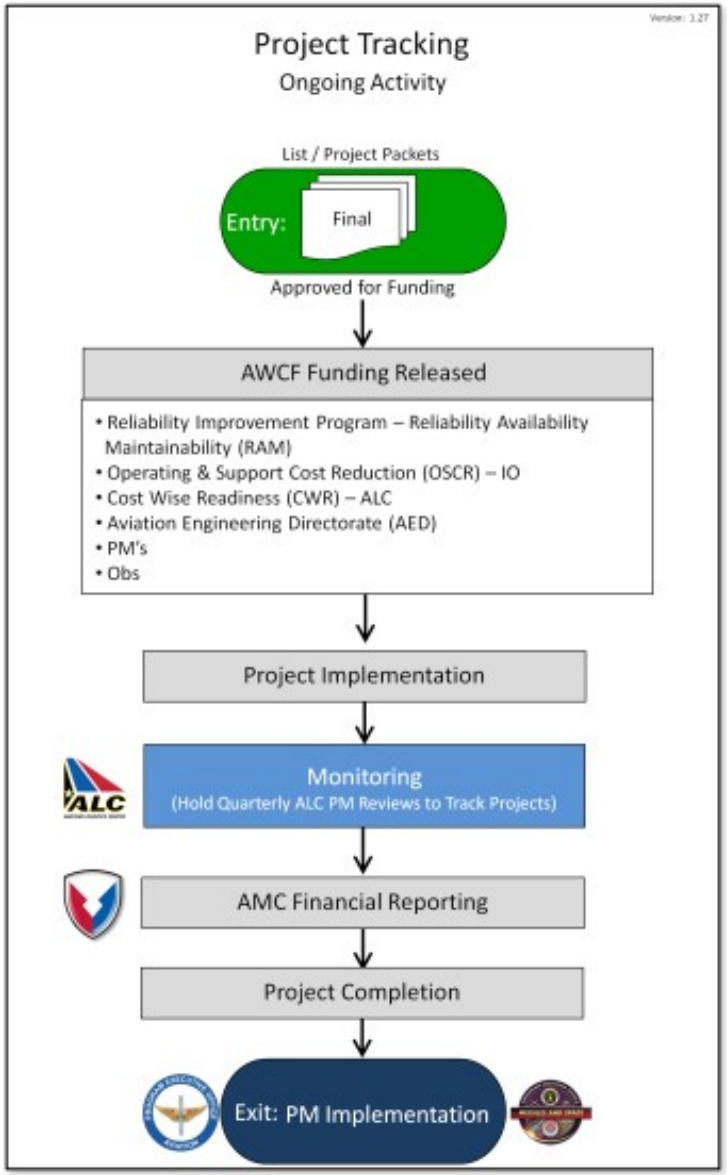
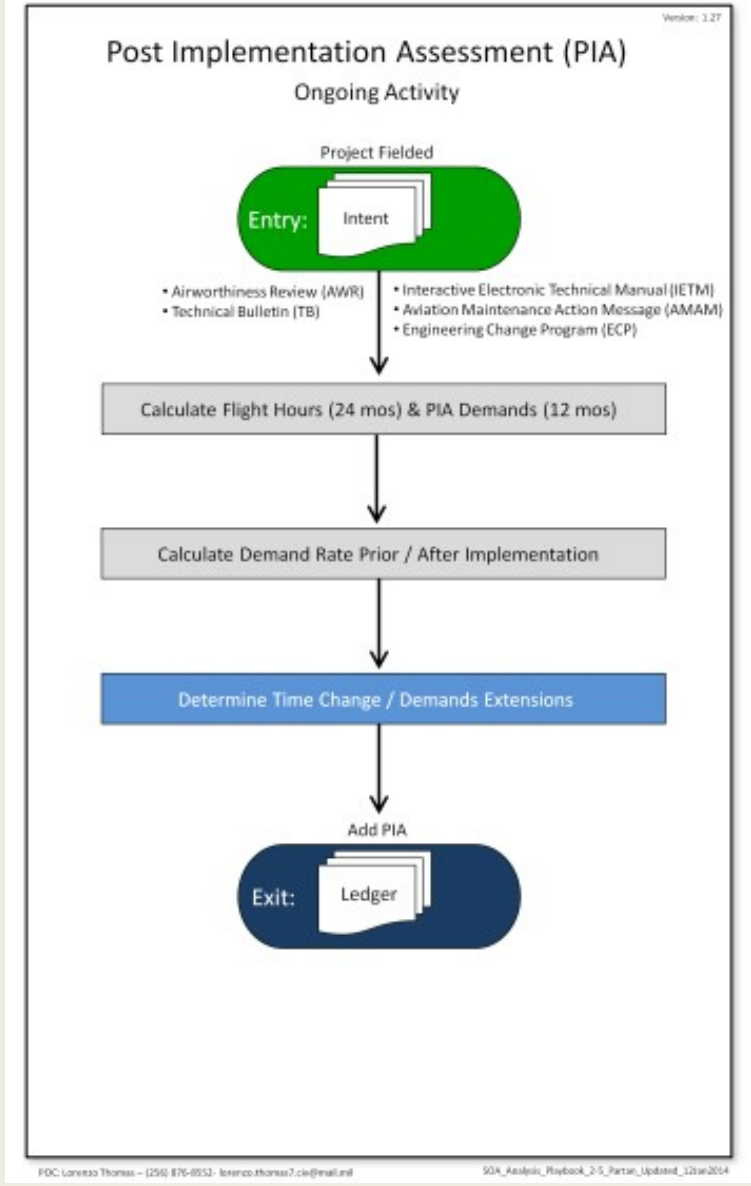
Project Tracking and Assessments



General Officer Quarterly Reviews



Key Take Aways

- **AMCOM has Developed a Consolidated Analysis Playbook Process to Focus its Investments for Systems in *Sustainment Lifecycle Phase***

- **In Partnership with PEO AVN and PEO MS, AMCOM Invests Approximately $60M/year of AWCF in New Technology and Product or Process Improvements to Lower Ownership Costs and Fight Obsolescence, While Maintaining or Improving Readiness**

- **Numerous Ways for Industry (any size) to "Get Into the Game"**
  For AMCOM:
  - **Semi-Annual Data Call for Projects**
    - **Projects that Mitigate/Eliminate Obsolescence**
    - **Projects that Reduce Demands and/or Price (Cost Burden)**
  - **Competitive Solicitations for Specific Root Causes via FedBizOpps (as Marketed through CASL)**
    - **Relevant Findings from Sustainment Analysis Process will be Part of Solicitations**

ALC Opportunities

ry Items

$M

Competitive Procurement Goal = 24.5%

Organic
Non-Competitive
Competitive

Procurements

$406.10

$332.30

$306.60

$99.50

FY15

Repairs

$1,155.10 $1,184.80

$519.10

$508.50

$125.50

FY16

FY14

24,532 Items Managed
1,394 Buys Per Year (30 Sep 14)
420 Competitive Buys (30 Sep 14)

AMCOMs Industry Partners (General Electric, Sikorsky, Honeywell & Boeing)
Project Competitive/Sub Contracting Opportunities of Approximately 24.5%

Services

$M

FY15 To Date	FY15 Projected/Remaining
11 Awards	26 Awards
$513.69M Total	$1,592.79M Total

$905.80

$543.20

$135.80

Total Services $2,106.48

- Engineering/Technical Support
- Logistics Support
- Equipment Maintenance Support
- IT Support
- Management Support
- Studies, Analysis, and Evaluation
- Other/Publications

FY16

Information Available in CASL

http://amcomdmz.redstone.army.mil/casl_cmo/casl_cmo_home

Backup